SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 2783

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 12, 2024

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 2783.

As amended, this bill, named the "Travel Insurance Act," would replace and expand existing applicable regulatory standards by providing a comprehensive codification of the legal framework specific to travel insurance and travel-assistance services. Specifically, the bill would:

(1) define operative terms relative to the licensing of travel insurance producers and the sale of travel insurance products and related services;

(2) establish a licensing and registration framework for limited lines travel insurance producers;

(3) impose the State's existing requirements with respect to insurance premium tax on certain travel insurance premiums; and

(4) codify established practices with respect to how travel insurance and related products are sold, administered, and classified for purposes of rate and form regulation.

As amended and reported by the committee, Senate Bill No. 2783 is identical to Assembly Bill No. 3696 (1R).

COMMITTEE AMENDMENTS

The committee amended the bill to:

(1) remove references to third party administrators;

(2) clarify that persons licensed in a property or casualty authority as an insurance producer will be authorized to sell, solicit, and negotiate travel insurance;

(3) allow travel insurance policies to be marketed directly to a consumer through an insurer's website if there is an accurate summary or short description of coverage that includes policy limits and exclusions or the ability to opt out of the coverage;

(4) extend the effective date of the bill from 90 to 180 days after the bill's enactment; and

(5) make certain technical changes.